ERIC CANTOR

TO: Interested Parties

FR: Republican Whip Eric Cantor

DT: January 6, 2010

RE: Prospects for Final Health Care Bill

We are all disappointed that Senate Majority Leader Harry Reid ultimately prevailed upon 60 Senators to vote to advance the Democrat plan for a government take-over of our nation's health care system. But Reid, House Speaker Nancy Pelosi, and President Barack Obama have not yet made their health care take-over law. They first must work out the differences between the House and Senate versions, and then each body must pass the same final bill. Thus, I still believe there is an opportunity to prevent this bill – a bill that will fundamentally alter the relationship between patients and doctors, harm seniors, and impose massive taxes and mandates on small businesses – from becoming law.

In order to pass a final bill, Democrat leaders cannot lose a single vote of the 60 they gained in the Senate, nor more than two of the 220 votes they gained in the House. To get their bill to this point, Democrat leaders have made a series of contradictory commitments and deals, each of which has the possibility of derailing a final bill. On the issue of abortion funding, for example, Senate Democrats have indicated that they cannot agree to the House-passed language, which continues a long-standing prohibition of federal funding of abortions. Meanwhile, many pro-life House Democrats who voted for the final House bill because of the fixed abortion language have indicated that the Senate-passed language is insufficient.

Millions of Americans have made clear their opposition to the Democrat take-over of our nation's health care system. Together with my Whip Team, I have identified 37 Democrats who – we believe – can be persuaded to vote against a final health care agreement. Because each of these 37 Democrats voted for the House bill, we only need to turn 3 votes to prevent a final agreement from passing. Below are the 37 Democrats we believe are in play, and the issues that drive their final vote.

If we can convince enough of these 37 Members (along with the 39 Democrats who already voted no) to reconsider and switch their position on the bill, I know that we can defeat this government take-over of our health care before it becomes law.

Government Funding of Abortions:

Because of the concerns of pro-life Members of the House from both parties, the House bill includes an amendment authored by Rep. Bart Stupak (D-MI) and Rep. Joe Pitts (R-PA) that ensures the federal government does not subsidize health insurance coverage for abortions. The language also prohibits any federal entity from acting to require private insurance to cover abortions. The Senate-adopted language on abortion funding, however, fails to include these

fundamental pro-life protections and, as a result, is opposed by groups such as the U.S. Conference of Catholic Bishops and National Right to Life Committee (NRLC). These same groups support the House bill's language.

If the House-passed Stupak-Pitts language is weakened in the final agreement, the votes of the following pro-life House Democrats could be in play:

Costello, Jerry (IL)

Dahlkemper, Kathleen (PA)

Donnelly, Joe (IN)

Driehaus, Steve (OH)

Ellsworth, Brad (IN)

Kaptur, Marcy (OH)

Kildee, Dale (MI)

Lipinski, Daniel (IL)

Oberstar, Jim (MN)

Stupak, Bart (MI)

Wilson, Charlie (OH)

Medicare Advantage:

While the House and Senate take different approaches to cutting funding for the Medicare Advantage program, Senator Bill Nelson of Florida inserted language in the Senate version of the bill that effectively ensures that seniors in Florida (and potentially a few other areas) will be protected from these cuts. Will these House Members, each of whom has a significant Medicare Advantage population in their district, vote for a final bill that cuts Medicare benefits for the seniors they represent, while seniors in Florida are protected from such cuts?

House Member	Seniors Enrolled in Medicare Advantage	Percent of all Medicare Beneficiaries Enrolled in Medicare Advantage
Mitchell, Harry (AZ)	29,136	35%
Giffords, Gabrielle (AZ)	49,545	37%
Cardoza, Dennis (CA)	19,484	25%
Schiff, Adam (CA)	27,631	29%
Moore, Dennis (KS)	20,214	23%
Oberstar, Jim (MN)	26,419	21%
Maffei, Daniel (NY)	33,235	29%
Driehaus, Steve (OH)	27,201	29%
Kaptur, Marcy (OH)	23,875	23%
Space, Zach (OH)	24,044	22%
Schrader, Kurt (OR)	57,457	49%
Dahlkemper, Kathleen (PA)	46,347	39%
Carney, Chris (PA)	26,984	22%
Cuellar, Henry (TX)	24,716	26%
Smith, Adam (WA)	21,358	23%
Mollohan, Alan (WV)	26,070	22%
Kind, Ron (WI)	29,861	27%
Kagen, Steve (WI)	38,810	34%

Budget Impact:

Both the House and Senate health care bills expand coverage, in part, by expanding Medicaid and asking states to pick up a portion of the cost. Most states are facing their own budget crisis, however, and are being forced to make reductions in current services and thus may not be able to afford the cost of expanding Medicaid.

The National Conference of State Legislatures sent a letter to Congressional leaders in October asking for 100% funding by the federal government for any Medicaid expansion, stating, "A lesser commitment from the federal government would shift billions of costs to states and would have serious short- and long-term consequences for state budgets."

Only one state, Nebraska – which is represented by Senator Ben Nelson, who provided the final vote necessary for Senate passage – received 100% federal funding for the cost of the Medicaid expansion. Three other states represented by critical Senate Democrats (Vermont, Massachusetts, and Louisiana) received additional funding, but not the full 100%. Every other state will be forced to finance a larger portion of the cost of the pending health care bill, including the costs of the preferential benefits for these four states.

Thirty states have cut spending for K-12 education for 2010. Will Members from these states support a final bill that requires their state to potentially make even deeper cuts to education in order to fund more of the health care bill than is being asked of states like Nebraska?

Potential House vote switchers from states that, according to the National Association of State Budget Officers and the Center on Budget and Policy Priorities, are being forced to cut education funding but which will also be saddled with millions of dollars in new Medicaid costs are:

<u>Arizona:</u> Giffords, Gabrielle; Mitchell, Harry California: Cardoza, Dennis; Schiff, Adam

<u>Connecticut:</u> Himes, James Georgia: Bishop, Sanford

Illinois: Bean, Melissa; Costello, Jerry; Halvorson, Deborah; Lipinski, Daniel

Iowa:Boswell, LeonardKansas:Moore, DennisMaine:Michaud, Michael

Michigan: Kildee, Dale; Stupak, Bart

Minnesota: Oberstar, Jim

New York: Arcuri, Michael; Maffei, Daniel

North Carolina: Ethridge, Bob Oregon: Schrader, Kurt

Pennsylvania: Carney, Chris; Dahlkemper, Kathleen; Kanjorski, Paul

Virginia: Connolly, Gerry; Perriello, Tom

Washington: Smith, Adam

West Virginia: Mollohan, Alan; Rahall, Nick Wisconsin: Kagen, Steve; Kind, Ron

Conclusion:

Democrat Leaders are telling the press and pundits that the hardest part of the process toward enacting their government take-over of our nation's health care system is past them, but long-time students of the legislative process know better.

Speaker Pelosi and Leader Reid can no longer promise to address a wavering Member's concerns later in the process. They can no longer make contradictory promises to different Members. And because of the work of the American people, they have hardly any margin for error in keeping 218 House votes and 60 Senate votes in lock-step.

Although the Senate and House bills deal with the new government run plan differently, the key results of the provisions of both bills are the same: patients will not be able to keep the health plan that they like nor will small businesses in this struggling economy face relief, just more mandates.

It will be difficult for any House Democrat who originally opposed the House-passed bill to support anything that resembles the recently passed Senate bill. With a finite target list of House Democrats who can make the difference and help us defeat this bill, now is the time to redouble our efforts.

By convincing just three House Members to switch their position and oppose this bill, we can halt this government take-over of our health care system. Then we can begin working to enact some simple, common-sense reforms, such as those outlined by the House Republican Healthcare Solutions Working Group and embodied in the GOP alternative – solutions that address pre-existing conditions, preserve the doctor-patient relationship, and lower costs.